

Security WITH "Freedom"

Socialism

OR

CANADIAN FREE ENTERPRISE

SOCIAL CREDIT



PRICE

25c

TORONTO, ONTARIO, CANADA

**STUDY IT
PLEASE PASS IT ON**

L.D. BYRNE

revised October 1962.

Issued and distributed by The Metro Toronto Young Socred
Association.

David E. Hartman, Provincial Fieldman, Toronto

Limited funds compel us to use personal equipment.



Dear Friends:

The entire world today is embroiled in the great question of whether society shall have the power to remould the individual, through political AND economic democracy, shall succeed in remaking and bettering society.

Social Credit recognizes however, that mankind is approaching a new era....an era of abundance and economic plenty. The scientific methods of engineering have vastly increased productive potential, yet deprivation in the midst of abundance is a law of life. It is the purpose of this booklet, to suggest reasonable alternatives to this present economic paradox.

Security and freedom are the essentials of democracy. Both are however, being withheld from the peoples of the world today, in varying degrees by an international financial hegemony, drawing its sustenance from its ability to create and control the money supply of the nations. Security and Freedom, have been displaced by international usury.

R. D.

I. OUR CULTURAL HERITAGE, NATURAL RESOURCES ARE IN ABUNDANCE, NECESSITY IS THE MOTHER OF INVENTION. PATENT RIGHTS ARE LIMITED:- These conclusions should be obvious. And it should be equally obvious that personal security and personal freedom is the *right* of every individual member of the community to which it is available.

Our abundant productive resources are due to the wonderful processes which we can employ. Power production, organization and science combine to give us plenty. The knowledge and the resources which make this possible are not due to the efforts of any particular section of the community. They are not due to the efforts of this generation or the last four or five generations. They have come down to us through the ages. Generation after generation, century after century - and, until recently, slowly but steadily - man has been fighting a winning fight against scarcity. Each generation has inherited the accumulated knowledge and resources of the past, exploited them and passed them on.

Thus every generation is the heir of civilization. And every community has at its disposal the knowledge and the resources passed down to it. These comprise a cultural inheritance to which no individual members of a community can lay a prior claim. *Every member of the community is a co-heir with his fellow-members to this inheritance.*

Now the community as a whole has to exploit its inheritance. To the extent that it can successfully do so, to that extent will it benefit. Suppose, by the perfection of organization and the development of harnessing the vast sources of natural energy, it was possible to produce everything that the community wanted with one per cent of its available man-power. To whom would the production belong? Certainly not the one per cent. Except for the common cultural inheritance and the association of all the individuals within the community, the one per cent would

be impotent. The fruits of the exploitation of the *communal inheritance* belongs to the *community* as a whole. Apart from any special system of reward for the one per cent, who may be the actual minders of machines and producers, the balance of the production constitutes a dividend on a common inheritance in which all should share.

If the percentage is increased from one to sixty, the principle still holds good. There is an unearned increment of association arising from the common cultural inheritance which gives every member of the community, whether working or not in producing the wealth, the right to a share in the production.

If, under such conditions, plenty for all is available to an extent which would give every member of the community complete economic security, then a dividend on the common inheritance of every individual member should constitute an unqualified claim on a share of the total production at least sufficient to ensure security. That is the position today.

Thus we find that not only is plenty available to us, so that security and freedom for all is possible, but that these are the birthright of every man, woman and child. Yet far from security and freedom for all, we see on every hand insecurity in the extreme and progressive loss of freedom. Foul conditions of human life arising out of acute poverty, the slow starvation of millions who are in want of bare necessities and increasing repressive legislation are the order of the day.

Our rich inheritance is being withheld from us. The abundance which could be produced to give security and freedom to all is being deliberately restricted and destroyed.

I will not weary you with the examples of food destruction, of schemes for preventing people from producing, of idle factories, of the breaking-up of wealth-producing and wealth-carrying mechanisms. These are now only too familiar to a sickened

and bewildered world. This sabotage of our inheritance has come to be one of the chief activities of governments.

The position can be summed up by a mind-picture in which we see on the one hand factories and farms able to pour out almost unlimited quantities of all the goods we want, of transferring them to where they may be wanted, and of shops eager to pass them on to consumers; on the other side of the picture we see the mass of people unable to take the goods out of the shops though almost desperate for want of them. And the only thing which keeps the people from the abundant supply of all their material requirements is the lack of the claims we term money, ~~by~~ means of which alone they can transfer the goods out of the shops and into their homes.

Now this rule that people can obtain goods only by presenting these money claims is an entirely man-made rule. Money is a man-devised system for facilitating the production and distribution of goods and services. It is an elaborate ticket system for keeping the nation's housekeeping accounts. It is one of the many ingenious inventions of the human mind.

By placing prices on goods and distributing money, people are enabled to present their claims for the particular goods they want. Money is thus, in a condition of abundant production, a method by which people are enabled to *choose* what they want. In this way money is also a voting system - it gives people an *economic vote*. But you will realize it is important that the money tickets available to buy goods should be equal to the collective prices of the goods. Otherwise the goods cannot all be distributed.

Besides being an economic voting system, money today, owing to the complexity of our economic life, is a license to live. To the extent that you have money, you have security. You can do and use things. But if you find yourself without money - *that*

is without any claim on the available production - you are reduced to a state of complete impotence. You can hardly move.

II. OUR PRESENT MONETARY SYSTEM IS THE OLD HORSE AND BUGGY WAY:- It is a rule that this money - these claims on production - shall be distributed, in the main, only for work in the economic field. In order to get any claim on production, service must be rendered. The rest of the community can obtain claims on production only from those who receive incomes in this way.

The crass insanity of this rule should be immediately apparent in the light of what we have been considering. For we have an industrial system which is eliminating the necessity for human beings to till in producing the things they want, while concurrently claims on this production are distributed only to those who do. **This rule becomes criminal when we realize that every member of the social organization has an inherited right to a share in the production, at least sufficient to provide security and freedom in the economic sphere.**

However, we are considering the economic system. This question of the distribution on incomes to secure a share in production other than as rewards for services in the economic sphere has to do with the legislative or governmental system. It is essentially a question of the rights of individual members of society. We must therefore leave it until we come to deal with this aspect of Social Dynamics.

A further explanation of the monetary mechanism reveals that the absolute control and issue of money is in the hands of a highly centralized private monopoly. This private monopoly has the sole right to create and issue the community's money, and it exercises complete control over monetary policy. Moreover, it issues all credit only in return for a lien on our nation's personal wealth. I want you to realize the significance of this.

According to the rules under which we work our economic system, money represents actual wealth. It possesses this quality because it is the visible form in pieces of metal or paper, or in figures, of the credo or belief inherent in a community, which belief makes it a functioning entity.

A community has "credit" if there is a functioning industry, a consuming public and a stable government. The measure of this credit - this real credit - is the rate at which the community can produce goods and services for its use. The monetization of this credit represents the drafts being made by the community upon its real credit, and this enables an accountancy record to be kept of what is taking place in the economic sphere.

It will be appreciated that the credit of the community is essentially communal property and, as the policy of governing its monetization influences the rights of individuals within the group and their relationship to each other **control of monetary policy is essentially a function for the executive of the governmental system in accordance with the will of democracy.**

Yet we find that a highly centralized private monopoly - centralized in the sense that its organization is a pyramidal one - has usurped this function of government.

III. FINANCIAL TYRANNY, TAXATION CREATES INFLATION

The Social Credit analysis of the financial system reveals that not only has the financial monopoly - which is not merely centralized nationally but internationally - usurped this sovereign function of government, but in its control of the monetary system it deliberately restricts the monetization of the communal credit. By such restriction it restricts every phase of economic life, so that, with unlimited resources to produce, the community is not allowed to produce all it could.

For instance, at the present time the threat of war stalks the world. There is probably not a person in this country or in any

Western country who, at heart, does not recognize that modern warfare is a dirty, mean, insane and degrading undertaking. In spite of this universal loathing of war, the situation is daily developing to a clash of nations on a scale which may destroy civilization. The reason is simple. War does not threaten. We are at war. There is not a person alive who has known peace. Only the war which is being waged at present is what we term "fighting for foreign markets". Cold war. It is an economic war. Every nation is striving to force its exports on other nations and at the same time keep out their goods.

This struggle for foreign markets arises from the inability of producers to sell in the home market. Also the efforts of each country to discourage imports is due to the necessity of protecting the limited home market against invasion by other nations seeking export markets.

This economic war is waged with the weapons of tariffs, embargoes, export subsidies and so forth. But as this fight becomes fiercer in the economic field, so the situation develops to one in which bombing planes, poison gas, howitzers and battleships will replace the economic weapons.

This shortage of buying power also accounts for the widespread poverty in the midst of plenty, of the growing burden of debt, of increasing taxation, and all the major features of the present world chaos.

This is the policy and this is the system being operated by this private international financial monopoly. Now suppose that you personally have had the sole monopoly right to monetize the country's credit; that you and you alone have been permitted to issue money credit, and that any person daring to enter into competition with you has been imprisoned.

Suppose you have consistently issued only an arbitrarily limited quantity of this money - always insufficient to allow

the people to become independent of you. Suppose you have issued it only in the form of loans repayable on demand by you and that you have been able to grant loans to people and for undertakings of which you approved, and to withhold money from persons and undertakings of which you disapproved.

Under these conditions you would have a stranglehold on the nation and you would be a supreme dictator. You would be at the apex of a pyramidal structure. And because you had this complete authority in the economic sphere, the economic system would also be the governmental system. Having absolute power over all the people in the country, you would be the supreme government in every sphere. You would be the law.

This would be tyranny with a vengeance, you will say. But that is exactly the position in the world today. **This private international financial monopoly by its complete control of monetary systems has complete power over entire communities and over governments. It is a tyranny. And step by step it is entrenching itself more strongly with the clear objective of establishing an open world-tyranny of finance, and the destruction of even the limited national sovereignty of states which exists.**

What we have to realize is that persons who have this power - and you cannot disassociate persons from the system - are relentlessly pursuing their objective, even though men, women and children are being driven mad, and are experiencing the most terrible suffering as a result of their administration, even though the world is in danger of going up in flames and civilization being destroyed for centuries.

These persons, who may be charming to take tea with or join for a game of golf, are social criminals of the worst possible type. **They have been guilty of robbery with violence, and of murder on a scale unequalled in the annals of man.**

Such are the men who have assumed sovereignty over us and they are not going to surrender their power willingly. No tyrant ever has or ever will. They will rather see the blood of millions poured out and the smoke rising from the ashes of civilization before they will surrender their stranglehold on the world.

Yet if we are to survive they must be made to do so. But how?

IV. IS NOT THE WORLD IN REVOLT?:- This revolt takes many forms. Wage earners are in revolt against the conditions of work; employers against the restrictions and difficulties under which they are forced to operate; taxpayers against the crushing burdens imposed on them; the unemployed and destitute against the hopelessness of their lot; entire communities against too much government - and so on.

Though this revolt takes many forms, fundamentally it is the revolt of individual men and women against an unsatisfactory state of affairs. Revolt is a perfectly healthy and natural human reaction against an unsatisfactory environment. In a society in which all is well, the people are contented and revolt does not occur. But if the social environment is unsatisfactory then revolt arises, showing a desire for change. As the environment becomes more unsatisfactory, so the revolt increases in volume and intensity, generating forces which finally impel change.

Thus revolt is the herald of change. And the world revolt, which is growing day by day, is evidence of vast and fundamental changes to come. It is incontrovertible evidence of the inevitability of change. It is useless to say: "But I don't want any change. Besides we are the envy of the world. And really we are getting along nicely." The change is inevitable. It must come.

And so long as people remain blind to this fact, the more surely will the growing forces of revolt rush us headlong to

disaster. For if revolt is allowed to develop blindly, being held in check and thwarted in the urge for a change of environment, the forces generated will grow in intensity until the environment becomes intolerable, when all the pent-up fury will be directed towards destroying the intolerable environment. History is rich in examples of the death and destruction which have resulted from the unleashing of the fury of blind revolt, bent upon destroying an intolerable social environment. Invariably the shattering and remoulding processes have resulted in no fundamentally better social environment.

This is the road the world is treading today. The blindly developing forces of revolt are hurrying us to the inevitable climax of death and destruction, but this time on a scale which may well destroy the fabric of civilization.

Yet there is another aspect of revolt. It is a curious human characteristic to resist change except under the stress of necessity. Fear of the unknown is still strong in man's make-up. Revolt is evidence that change is desired. If the forces of revolt, instead of being allowed to develop blindly, are harnessed objectively to bring about a deliberate and conscious change from an environment unsatisfactory to individuals within society to one satisfactory to them, then instead of facing disaster, we will be hurrying towards that new civilization with its unlimited opportunities for human advancement which we know to be possible in this age of plenty upon which we have entered.

There is the choice: Disaster - because we will not recognize the inevitability of change in time - or deliberate and conscious action to ensure that the change is the one we desire. But, you will ask, how can the forces of revolt be harnessed to bring about deliberately and consciously such a fundamental change? What change can be made which all want? How are

we to alter the social environment? Social Credit supplies answers to all these questions.

V. THE NATURE OF SOCIAL CREDIT IS PERSONAL FREEDOM AND SECURITY.

Social Credit is just what its name implies. It is the credo or belief inherent in society that its individual members in association can get what they want. A moment's reflection will convince you that this is the essence of any social organization. Whether it is an association for promoting interest in gardening, or a movement for some sort of reform, or whether it is a nation, what makes the individuals within the group enter into willing association with each other is the belief that their efforts are being directed to secure the objective they desire.

If the individuals within the group find they are not getting what they want, then there will be danger of the group disintegrating and the disintegration of a community is a pretty terrific affair. That is what is taking place all over the world today.

You will realize that it is important there should be a clear understanding as to the social objective - what it is that people want. While the possible wants of a community might be numerous and varied, there are two clear social objectives which members of every community always have and always will want before all else. They are the two things which each one of you want first and foremost from the society in which you live. These are **personal security and personal freedom.**

Va. ORGANIZATION:- In order to get what they want the individuals in a community have to organize themselves. Organization, as those who have to do with it will appreciate, is an exact science. The principles of scientific social organization have been laid down and are termed Social Dynamics.

There are broadly 2 separate aspects of social life; although distinct, each influences the other. They are (1) the house-keeping or, economic, (2) the legislative or governmental.

SOCIAL DYNAMICS HAS TO DO WITH the economic and the governmental. *These two branches of Social Dynamics are quite distinct, as we shall appreciate if we will consider the purpose of each - bearing in mind the social objective of personal security and personal freedom.*

THE ECONOMIC (OR SOCIAL HOUSEKEEPING) SYSTEM has to do with providing the material wants of the people. Therefore its purpose is to deliver goods and services as and when and where they are required. Nothing else. That is the sole function of the economic system.

THE LEGISLATIVE OR GOVERNMENTAL SYSTEM has to do with the rights of individual members of society and their relationship to one another. Its function is to ensure that the collective will of the people prevails in all matters affecting the rights of individual members of society, their relations with each other and the relations of the group with other groups. Within this function is included what is broadly termed the maintenance of law and order.

Vb. TWO FORMS OF SOCIAL ORGANIZATION:- Before we proceed to consider the working of these two branches of Social Dynamics, we should clear the ground a little further. There are, speaking generally, two forms of organization - pyramidal and democratic.

THE PYRAMIDAL TYPE OF ORGANIZATION is so termed because it can best be conceived as authority at the apex of a pyramid imposing its will through various executives upon the general body of persons at the base. An example of the pyramidal organization is the organization of any modern industrial concern as, for instance, the Ford Motor Company.

THE DEMOCRATIC TYPE OF ORGANIZATION can best be conceived as a circle, the centre of the circle being the administration and the circumference the democracy. The administration at the centre is carried out in accordance with the will of the circumference, and, quite automatically, the personnel is displaced from its administrative positions if it fails to give the democracy at the circumference what it wants.

The essential difference between two forms of organization is that in the pyramidal form the will of the executive at the apex is dominant; whereas in the democratic organization, it is the will of the people at the circumference of the circle which is all powerful.

Bearing in mind that the purpose of social organization is to give effect to the belief of the individual members of society that in association they can get what they want, the only conceivable form of organization to be adopted is the democratic type, which gives effect to the will of the democracy.

Vc. NEW ECONOMIC DEMOCRACY ESSENTIAL:- You will realize that the creation of money comes within the domain of government. It should have to do with the legislative or governmental system, for it is a matter affecting the rights of the people and their relationship to each other. We are still considering the economic system, the sole purpose of which is to distribute goods and services as, when and where they are required. If this purpose is to give effect to the objective of society, the form of economic organization necessary is the democratic type. In other words economic democracy is essential.

At the present time a pyramidal economic organization is in operation. A group of persons has seized control at the apex. And the economic system is being used as a system of government - a tyrannical or pyramidally controlled government in

which the many have to conform to the will of the few. Before this can be altered and economic democracy established, the rights of the people in the economic sphere must be established within the governmental system.

Vd. THE GOVERNMENTAL SYSTEM:- I want you to consider the results in the economic sphere of distributing a National Dividend as a right to every man, woman and child.

A National Dividend will give security to all. The fear of unemployment, the fear of poverty, poverty itself will disappear. Whether we like it or not we must face the fact that the present wage system by itself is a system of slavery. If you can say to a man "you must accept these conditions within the economic sphere for this wage, or you will starve," you have the most terrible weapon of dominating human life in your hands, and that man is a slave. National Dividends will destroy this power of money over human life.

Because workers in industry will have national dividends they will have some say in the conditions under which they are prepared to work. The man whose administration of a factory commands the affection and respect of his fellow-men will attract the best workers. The anti-social industrial administrator will find himself without anyone willing to work under his direction. As the dividend increases, so the money voting power of the community will become more effective. Because of the greater freedom in buying certain goods and refraining from buying others, control of the type and quality of production will be assumed by the community.

Thus the democracy of the circumference will decide what shall be produced and who shall produce it, and the administration at the centre will be in the nature of elected producers serving and dominated by a democracy of consumers. Economic democracy will be a reality. Mass production and consumers' sovereignty, through the price system, will enable production

to enter the market at the lowest price possible.

VI. GOVERNMENTAL SYSTEM:- We must now turn our attention to this aspect of Social Dynamics. You will remember we laid it down that the purpose of the governmental system should be to make the collective will of the members of the social organization prevail in all matters affecting their rights and relations with each other. The form of organization must, therefore, be such as to establish the sovereign right of the community in regard to all matters concerning its social life. Only the democratic type of organization will achieve this.

In the sphere of economic democracy we considered how the mechanism of money can be used as a voting system whereby the dynamic of the collective will of the democracy at the circumference can be effective in deciding who shall be the administrators at the centre, and in ensuring that administration shall conform to the demands of democracy - that is, give democracy what it wants. The money vote is used to demand results - a particular kind of food, a particular form of car and so on. In the economic sphere democracy is concerned only with what shall be done and who shall do it. It is not concerned with *how* it shall be done. It is concerned with results, not methods. The methods are left to the administration. This is a question of the allocation of responsibility.

If democracy wants a particular type of car - that is, a particular result - and if Mr. Spink undertakes to provide it, then Mr. Spink is responsible to democracy for producing what it wants. The method he employs to get the result is his personal responsibility.

These principles are of the very essence of democratic organization and the core of Social Credit. They apply with equal force in the sphere of the governmental system as they do within the economic system. And just as in economic democracy

people are provided, through money, with an effective voting system to enforce their will in regard to economic matters, so it is necessary in political democracy that they should have an effective voting system to enforce their will in the domain of government.

Such a system confers upon the members of the community - **THE PEOPLE** - sovereign power in all matters concerning the social life of the community, for it is in the sphere of government that all questions affecting the rights of the members of the members of the community are dealt with. And if the social body *has* such an effective mechanism for ensuring that the dynamic of its collective will prevails within the sphere of government, there will be effective administration of the *entire social organization* - in accordance with the **WILL OF THE PEOPLE** - in the spheres of government, economics and the cultural or spiritual life of the community. This would constitute a true democracy - a Social Credit Commonwealth.

It should be clear that a question of priority arises. The Social Credit order can be described as true democracy in all aspects of social life by the organization of society in accordance with the principle of Social Dynamics. The purpose of the organization is to enable society to gain its objective. First and foremost in order of priority, its objective is personal security and personal freedom for its individual members. While the **reality** of this personal security and freedom can be established only in the domain of the economic system, the right of the individual members of the community to this can be established only in the domain of the governmental system. Thus political democracy must be established as a means of securing economic democracy.

VII. ESTABLISHING POLITICAL DEMOCRACY:- At the present time the world is in revolt because of the lack of security and freedom. In this country, as in many other countries, we have a democratic constitution. That is to say **THE PEOPLE** have the constitutional right to exercise sovereignty in

the domain of government. This right to sovereignty has, in default of its exercise by **THE PEOPLE**, been usurped by financial opportunists. By exercising control of a pyramidally organized economic system, the private monopoly of international financiers has rendered the **governmental** system **ineffective** to perform its proper function. This has been achieved by dividing the community into camps in the governmental sphere, and allowing them to have a voice only in matters of minor importance. The purpose of this is to give an illusory impression that political democracy is the governmental system; whereas effective government under these imposed conditions is enforced through the economic system controlled by finance at the apex.

Now not only do **THE PEOPLE** of democratic countries possess the constitutional right to enforce their collective will in the domain of government, *but they possess the necessary voting system* to do so. What **THE PEOPLE** in these countries do not understand yet in any large numbers is how to use Democracy to provide **SECURITY WITH FREE DOM**.

The establishment of true political democracy would lead to the founding of economic democracy. This would be a Social Credit system, that is, a society organized on the basis of the inherent belief that whatever is physically possible and desirable and morally right can and must be made financially possible for the individuals.

The present power of high finance will collapse like a pricked bubble before the expressed will of the people in government.

Today, debt and taxation threaten many countries. Poverty and hunger in many lands threaten the freedom of the whole world. As the forces of the soviets expand, the world is being rushed to disaster. Only the deliberate and conscious direction of the people toward **SECURITY WITH FREEDOM** can save civilization. Social Credit has the answer.

- End -

BOX 232, P.S. "O"
TORONTO 16, ONT.

THE FOUR BASIC PRINCIPLES

1. **The Individual is the Most Important Factor in Organized Society.** As a divinely created being with both spiritual and physical potentialities and needs, he has inalienable rights which must be respected and preserved.
2. **Government Must Serve the Individual.** The major function of democratic government in organized society is to secure for the people the results they want from the management of their public affairs, as far as such results are physically possible and morally right.
3. **Freedom and Security.** The individual can only attain his full stature in a society where his ability to make moral choices is restricted as little as possible. Economic security is a necessary means for attaining this freedom, not an end to be attained by restricting it.
4. **The Physically Possible to be Financially possible.** Whatever is physically possible and desirable and morally right can and should be made financially possible.

HM